

VZCZCXRO8559  
OO RUEHGH  
DE RUEHUL #0941/01 1660704  
ZNR UUUUU ZZH  
O 150704Z JUN 09  
FM AMEMBASSY SEOUL  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4682  
RUCPDO/USDOC WASHDC 8713  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEAIIA/CIA WASHINGTON DC//DDI/OEA//  
RHHMUNA/USCINCPAC HONOLULU HI//FPA//  
RUEKJCS/SECDEF WASHINGTON DC  
RUEKJCS/JOINT STAFF WASHINGTON DC  
RUEKDIA/DIA WASHINGTON DC//DB-Z//  
RUEHMO/AMEMBASSY MOSCOW 9866  
RUEHBJ/AMEMBASSY BEIJING 6075  
RUEHKO/AMEMBASSY TOKYO 6165  
RUEHGH/AMCONSUL SHANGHAI 0851  
RUEHSH/AMCONSUL SHENYANG 4562  
RUEHIN/AIT TAIPEI 3542  
RUEHGP/AMEMBASSY SINGAPORE 6728  
RUCNDT/USMISSION USUN NEW YORK 1100  
RUEHGV/USMISSION GENEVA 2436  
RUEHLO/AMEMBASSY LONDON 1510  
RUEHFR/AMEMBASSY PARIS 2119

UNCLAS SECTION 01 OF 13 SEOUL 000941

SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [MARR](#) [ECON](#) [KPAO](#) [KS](#) [US](#)

SUBJECT: SEOUL - PRESS BULLETIN; June 15, 2009

TOP HEADLINES

-----

Chosun Ilbo, Dong-a Ilbo, Hankook Ilbo, Segye Ilbo, All TVs  
North Korea Admits to Running Uranium Enrichment Program after  
Denying It for Past Seven Years

JoongAng Ilbo  
ROK and U.S. Intelligence Officials Beef up Surveillance  
of 11 Sites for Possible North Korean Nuke Test

Hankyoreh Shinmun  
Ssangyong Motor's "Partial" Layoff  
Incites Conflict among Laborers

Seoul Shinmun  
U.S. to Strongly Enforce UN Sanctions against North Korea

DOMESTIC DEVELOPMENTS

-----

President Lee Myung-bak called for five-way talks on North Korea's nuclear program, saying in a June 13 interview with The Wall Street Journal, "I think it is right now very important for the remaining five countries-excluding North Korea-to come to an agreement on the way forward." (All) However, the Hankyoreh noted that the possibility of five-way talks taking place is slim and President Lee's proposal for the talks could give Pyongyang the impression that the ROK is taking the lead in imposing a blockade on the North. (Hankyoreh)

President Lee will leave for Washington today to discuss the North Korean nuclear issue and the FTA with U.S. President Obama at the June 16 summit. (All) A Blue House official said, "During the summit, the two leaders will reaffirm 'watertight' cooperation on the North Korean nuclear issue." (JoongAng)

ROK and U.S. intelligence officials have ratcheted up their monitoring of 11 underground facilities in North Korea after reports of a third possible North Korean nuclear test. (JoongAng, Hankook, Segye) According to an ROKG source, the new nuclear test could be

carried out in a northern part of North Korea, such as Geumchang-ri in North Pyeongan and Yeongdeok in South Pyeongan. (JoongAng)

Song Min-soon, an opposition Democratic Party lawmaker who served as Foreign Minister during the Roh Moo-hyun administration, expressed concern about a move to create a trilateral consultative body between the U.S., China and Japan and said that President Lee should clearly object to it during the upcoming summit with the U.S. (Seoul)

The Ministry of Foreign Affairs and Trade said Saturday that an ROK woman and eight other foreigners appear to have been abducted by a group of insurgents in Yemen. (All)

#### INTERNATIONAL NEWS

-----

In response to the UNSC's latest resolution against its nuclear test, North Korea declared in its Foreign Ministry statement Saturday, "(We) will start the process of uranium enrichment. Pursuant to the decision to build a light-water reactor, enough success has been made in developing uranium enrichment technology to provide nuclear fuel to allow for the experimental procedures." (All)

U.S. Secretary of State Hillary Clinton said in response, "The North Koreans' continued provocative actions are deeply regrettable." (All, KBS)

SEOUL 00000941 002 OF 013

U.S. Vice President Joe Biden said Saturday on NBC, "We are going to enforce UN resolutions," calling North Korea a "destabilizing element in East Asia." (Seoul, KBS)

In the Foreign Ministry statement, North Korea made no mention of a third nuclear test or an intercontinental ballistic missile, which leaves room for dialogue with the U.S. (Hankyoreh)

#### MEDIA ANALYSIS

-----

-N. Korea

-----

All ROK media gave top play to the North Korean Foreign Ministry statement Saturday, in which the North declared, "(We) will start the process of uranium enrichment," adding, "Pursuant to the decision to build a light-water reactor, enough success has been made in developing uranium enrichment technology to provide nuclear fuel to allow for the experimental procedures." The statement was made in response to the UN Security Council's latest resolution against the North's recent testing of a nuclear device

Right-of-center JoongAng Ilbo headlined its story: "Six-year-old Six-Party Talks in Danger of Going up in Smoke," and moderate Hankook Ilbo headlined its story: "North Korea Crossed Red Line in Nuclear Proliferation."

Hankook Ilbo also reported that North Korea's Foreign Ministry statement came 15 hours after the UNSC adopted Resolution 1874, adding that it was a "prepared offensive." In a related story, some observers speculate that, unlike in the past, the U.S. will no longer give in to or make concessions to the North.

Meanwhile, left-leaning Hankyoreh Shinmun reported that in the Foreign Ministry statement, North Korea made no mention of a third nuclear test or an intercontinental ballistic missile, which leaves room for dialogue with the U.S.

JoongAng Ilbo, Hankook Ilbo and conservative Segye Ilbo said that after reports of a third possible North Korean nuclear test, ROK and U.S. intelligence officials have ratcheted up their monitoring of 11 underground facilities in North Korea by using spy satellites to monitor vehicle movements and relying on human intelligence to

gather information. JoongAng Ilbo added that according to an ROKG source, the new nuclear test could be carried out in the northern part of North Korea, such as Geumchang-ri in North Pyeongan and Yeongdeok in South Pyeongan.

Conservative Chosun Ilbo editorialized: "During the June 16 ROK-U.S. summit in Washington, President Lee Myung-bak will reportedly propose five-way talks that will exclude North Korea. However, unless China abandons its policy of putting North Korea's regime survival before its denuclearization, any kind of UN resolution or five-party agreement will be useless."

Hankook Ilbo editorialized: "Some observers believe that North Korea announced its uranium enrichment plan to the world instead of covertly pursuing it because of its intention to negotiate with the U.S. ... If history is any guide, sanctions, pressure and further isolation are not enough to resolve a problem. The international community, while imposing sanctions against North Korea, should provide a way-out through which the North can move closer toward the international community."

Conservative Dong-a Ilbo editorialized: "The announcement by the North Korean Foreign Ministry is a grave provocation that goes beyond 'another red line.' Through this announcement, North Korea is admitting or claiming that suspicion over its uranium enrichment by the U.S. in October 2002 is true. ... Therefore, this seems to constitute another reason why the international community should impose stronger sanctions against North Korea in order to curb the country's development and proliferation of its nuclear program."

SEOUL 00000941 003 OF 013

... To block North Korea's reckless provocations, the international community should thoroughly deliver on the UN Security Council Resolution and punish North Korea for its transgressions."

Hankyoreh Shinmun editorialized: "By escalating nuclear tensions, North Korea seems to intend to bring the U.S. to the bilateral bargaining table. ... The fact that even China and Russia approved the UNSC resolution against North Korea suggests that North Korea's strategy of making provocations is not receiving international support. If the North really wants to talk with the U.S., it should look at the situation with a cool head."

-U.S.-ROK Summit

-----  
All newspapers reported that President Lee will leave for Washington today to discuss the North Korean nuclear issue and the FTA with U.S. President Obama at the June 16 summit.

The ROK media also noted that President Lee Myung-bak called for five-way talks on North Korea's nuclear program, saying in a June 13 interview with The Wall Street Journal, "I think it is right now very important for the remaining five countries - excluding North Korea - to come to an agreement on the way forward."

Hankyoreh Shinmun reported, however, that the possibility of holding five-way talks is slim, noting that they could give Pyongyang the impression that the ROK is taking the lead in imposing a blockade on the North.

Hankook Ilbo reported that, during the summit, the two nations are expected to discuss a response (to the production and distribution) of "supernotes" in order to block the flow of money to North Korea as well as making sure that attention is drawn to whether the "five-way talks" proposed by President Lee will be held.

JoongAng Ilbo editorialized: "The two leaders have to reaffirm the principle of denuclearization of the Korean Peninsula while at the same time dispelling anxiety on the Korean peninsula and its neighboring countries ... President Lee should draw full-fledged support from the U.S. president and represent the big picture of a peaceful Korean peninsula firmly rooted in democracy and a market economy that offers no security threat to its neighbors."

Hankyoreh Shinmun editorialized: "The summit should serve as a turning point to change the current stalemate on the North Korean

nuclear talks. To this end, it is essential to create a solid negotiation framework for the peaceful resolution of the nuclear issue. (The ROK and the U.S.) should give shape to the grand bargain with the North that the Obama Administration publicly advocated in its initial days, so that Pyongyang can withdraw its offensive attitude."

-Iran

Under the headline, "Does Obama's 'New Beginning' Hit a Snag in Iran?" JoongAng Ilbo said that U.S. President Obama's engagement policy toward the Middle East has hit a wall as President Mahmoud Ahmadinejad, an anti-West conservative hardliner, defeated former Prime Minister Mir Hossein Mousavi, a reformist, by a large margin in Iran's presidential elections.

Dong-a Ilbo reported that the U.S., which has had high hopes of an "Obama effect" in Iran, did not hide its disappointment with the election results. The newspaper quoted U.S. Vice President Joe Biden as saying on NBC that there is "an awful lot of doubt" about the outcome of the Iranian elections and the U.S. would analyze them.

Chosun Ilbo headlined its story: "Ahmadinejad's Landslide Victory Casts 'Dark Cloud' over Iranian Nuclear Issue and Relations with Israel."

Hankook Ilbo reported that since the Iranian public have been found to want economic reform and democracy, President Ahmadinejad could

SEOUL 00000941 004 OF 013

likely change his anti-U.S. policy and his stance on nuclear sovereignty to some degree.

Under the headline, "Obama's 'Engagement Policy' Expected to Suffer a Blow," Hankyoreh Shinmun reported that the key factor in improving the U.S.-Iran relations is whether the Obama Administration will take "substantial" measures, such as holding nuclear talks, easing economic sanctions, expanding exchanges and establishing a U.S. diplomatic mission.

#### OPINIONS/EDITORIALS

NORTH KOREA'S 3RD NUCLEAR CRISIS CAN BE AVERTED  
(Hankoyreh Shinmun, June 15, 2009, Page 22)

By Moon Cheong-in, Professor at Department of Political Science and International Studies of Yonsei University

The North Korean nuclear issue is racing to the peak of a third crisis. In response to the nation's second nuclear test, the United Nations Security Council (UNSC) has unanimously adopted Resolution 1874, which includes an indefinite embargo and export controls, cargo inspections and financial and economic sanctions. It is a strong resolution based on Chapter VII of the Charter of the United Nations. The U.S. and Japan are also mulling over additional sanctions of their own.

North Korea's objections to this omnidirectional pressure of isolation and containment have been fierce. In a statement issued by its Foreign Ministry on Saturday, North Korea called the resolution an "illegal and heinous act of authority" and an "anti-republic scheme to crush North Korea" and is responding forcefully by commencing uranium enrichment, weaponizing all of the newly extracted plutonium and pursuing a military response to containment actions. As this reckless "chicken game" with no way to escape unfolds, one thinks of the ominous prophecies of Cassandra.

If North Korea would accede to the UNSC's demands, return to the Six-Party Talks and carry out denuclearization according to the in September 19, 2005 Joint Statement and in the February 13, 2007 Agreement, there would be nothing more to ask. However, it is rare to find a case of a nation asserting its intention to possess nuclear weapons and then bowing to outside pressure and abandoning

its nuclear capabilities. Moreover, the possibility looks particularly slight in light of the domestic political conditions in North Korea, with its plan to build a strong and prosperous nation by 2012, adherence to a military-first songun keynote in its politics, and intent to establish a stable system of succession.

For this reason, it is impossible now to rule out the possibility of the present acute confrontation dragging out into the long term, and of military clashes occurring as a result. The government and ruling party are suggesting two alternatives. One of them is to deliver an offensive strike in response to North Korean military provocations. General Kim Tae-young, chairman of the ROK's Joint Chiefs of Staff, is saying that the s-e-c-r-e-t lies in three-dimensional warfare, delivering "strikes by land, air and sea simultaneously." National Defense Minister Lee Sang-hee gave the directive of "Don't report that there was a fight, report that you won" to officials below him. These are expressions of intent to escalate beyond a passive response and go all out for a victory.

The other alternative being offered is to secure a deterrent to North Korea's nuclear threat. The government announced that it would be stipulating the concept of "extended deterrence" in a joint statement at the ROK-U.S. summit that is take place tomorrow, in order to make protection under a U.S. nuclear umbrella an established fact. Concurrently, Grand National Party lawmaker Choi Ku-sik has come out saying that the ROK now needs to possess nuclear sovereignty, and that to this end, the ROK-U.S. Atomic Energy Agreement, which is scheduled for revision in 2014, needs to include an item allowing a downstream nuclear fuel cycle to enable

SEOUL 00000941 005 OF 013

reprocessing of nuclear fuel.

Both of these alternatives are disturbing. While it is all well and good to offer reassurances to the public and to promote military morale, one gets the sense that these officials are taking a military clash with North Korea lightly. North Korea is not going to lose heart simply because the ROK carries out an offensive strike. Compared to North Korea's military, our open and wealthy society must appear terribly weak. Suppose that North Korea responds to the ROK's offensive strike by launching two or three short-range missiles at an Incheon International Airport runway on the island of Yeongjongdo, which would present a slight possibility of loss of life or injuries. They could simultaneously weaken our justification for a large-scale counterattack while paralyzing the ROK economy.

If the stipulation of protection under a U.S. nuclear umbrella is secured in writing, the ROK could wind up caught in North Korea's strategy of presenting the elimination of the nuclear umbrella as a precondition for denuclearization. Moreover, restoring the ROK's nuclear sovereignty for the sake of deterrence would do nothing more than justify North Korea's possession of nuclear weapons and trigger a nuclear arms race on the Korean Peninsula and in Northeast Asia.

Today, as we mark the ninth anniversary of the June 15 Joint Statement, the national security situation on the Korean Peninsula is in a state of zero visibility, where it is impossible to see even an inch in front of us. The government must avert war and value peace as much as possible, and it must bear in mind that it is possible to ensure the safety of the people by placing emphasis on the prevention of war rather than victory in war.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

CHINA'S COOPERATION ON THE NORTH  
(JoongAng Ilbo, June 15, 2009, Page 43)

We face the most daunting security challenge since the Korean Peninsula was on the brink of war as a result of the first nuclear crisis in 1994. At that time, then U.S. President Bill Clinton and his aides considered an attack on the Yongbyon nuclear facilities.

Fortunately, the mediation effort by former U.S. President Jimmy

Carter contributed to defusing the crisis, the seriousness of which was never realized by the Korean people.

The current situation seems more serious than ever. During the past several months, North Korea has taken such strong measures as nuclear experiments and missile launches. These were fundamentally different to its normal behavior. It should be understood that North Korea will never give up developing its nuclear weapons, no matter what economic carrots are offered.

The statement released by North Korea's foreign ministry responding to UN Security Council Resolution 1874 demonstrates Pyongyang's determination to develop nuclear arms.

However, the U.S. cannot accept North Korea as a nuclear-armed state.

U.S. President Barack Obama has declared, as one of his core policies, the promotion of universal acceptance for nuclear arms reduction. If he accepts a nuclear-armed North Korea, he will fail to prevent Iran from developing nuclear weapons and "a nuclear domino effect" in Northeast Asia.

In conclusion, the situation indicates a deepening gulf between Pyongyang and Washington, with little possibility of finding a point of compromise.

Another reason why we take a serious view of the current situation is that North Korea's hard-line stance is related to its effort to

SEOUL 00000941 006 OF 013

engineer a hereditary succession of power.

There is nothing more important than the hereditary succession of power and the stability of the regime to North Korea's leader Kim Jong-il. He is urging his country to realize the possible scenarios of power succession due to his health problems. He has decided to take the road to becoming a nuclear state to guarantee the support of the military authorities and the regime's security.

Given that Pyongyang considers the nuclear issue to be its most sensitive, the concerned parties have found it more difficult to resolve. .

Against this backdrop, the international community, including the ROK and the U.S., should implement the strongest negative pressure on developing nuclear programs. Such action, in addition to offering the North the strongest positive incentive to give up its nuclear programs, could thus lead North Korea to take a positive inducement measurement.

The United Nations Security Council resolution adopted last week has been one of the strongest measures to encourage Pyongyang to return to the negotiating table.

However, cooperation with China is of great importance in helping such pressure to take effect.

China accounts for two-thirds of North Korea's foreign trade, and the North's dependence on China will be further increased as inter-Korean relations worsen.

However, it is not easy to seek closer cooperation with China.

It is clear that China cannot accept North Korea as a nuclear-armed state. Such a response would provoke nuclear proliferation in Japan, the ROK and even Taiwan.

However, as China has placed a higher priority on the stability of the North Korean regime than denuclearization, it is reluctant to intensify its pressure on North Korea.

China has some understandable reasons.

First, the North Korean economy is at death's door, relying on foreign assistance for survival. If China ceases to offer economic

assistance to the North, the North Korean regime might collapse. In this scenario, China fears that millions of refugees will cross over its border.

Second, if the insecurity of the North Korean regime leads to an ROK-led reunification, China does not want the North to disappear as a buffer zone. In addition, it also does not want the influence of the ROK as an ally of the U.S. to move northward near the border along the Yalu River.

Of course, China might feel that if the ROK and the U.S. actually reduce worries of an exodus of refugees from the North into Korea, there is no need to establish a political buffer zone.

But it will still remain important to maintain a military buffer zone in such a case.

Any trust between the U.S. and China and between the ROK and China is not yet strong enough to reach such an agreement on the future of the Korean Peninsula. Therefore, it is difficult to take a concerted stance toward North Korea, and hence North Korea acts as it wishes.

Of course, the relationship between China and North Korea is deteriorating, and many people in China are seeing North Korea as another burden to cope with rather than a close ally. However, there is still no sign that China's core policymakers have overhauled its North Korea strategies.

SEOUL 00000941 007 OF 013

As such, the North Korean nuclear issue concerns Pyongyang's regime, reunification, and geopolitical problems requiring the participation of our neighboring countries.

In such turbulent times, a national consensus is a prerequisite to setting a diplomatic goal based on compromise and encouraging a coordinated response from neighboring countries and the international community.

Nevertheless, when we have faced difficulties in the past, our political circles have failed to exercise national leadership.

Such a state of affairs is truly pitiful. Those in the ROK's political circles still fail to recognize that these are extraordinary circumstances.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

UNITY IS NEEDED TO DEAL WITH N. KOREAN NUCLEAR THREAT  
(Chosun Ilbo, June 15, 2009, Page 35)

North Korea on Saturday announced it would begin enriching uranium, turn all the plutonium it has extracted so far into nuclear weapons, and take military action should it face a blockade. The announcement came just 15 hours after the UN Security Council unanimously passed Resolution 1874, which contains tougher and very specific sanctions against the North as a punishment for its second nuclear test. Resolution 1874 encompasses an export ban on weapons, financial restrictions and the right to search North Korean vessels.

Among the points made in North Korea's latest announcement, the most interesting is its vow to begin enriching uranium. Nuclear weapons can be produced with highly enriched uranium or processed plutonium.

If North Korea is able to produce nuclear bombs with uranium, then it has all available means of making nuclear weapons. Moreover, uranium enrichment is much harder to detect than extracting plutonium. It could become more difficult to find a solution to the North Korean nuclear impasse.

In the statement, North Korea said its development of uranium enrichment technology had been successful and was ready for trials.

North Korea has actually been developing uranium enrichment technology for the last 20 years. Dr. Abdul Qadeer Khan, "the father of Pakistan's nuclear program" who was arrested in 2004 on charges of leaking such technology, said he had handed over related equipment, blueprints and technology to North Korea since 1991 and had trained North Korean scientists. Former Pakistani President Pervez Musharraf wrote in his autobiography that Khan gave North Korea around 20 centrifuges for uranium enrichment, including the P-1 model and the improved P-2 model. Former U.S. President Bill Clinton in his memoirs said he learned after his term ended that North Korea had violated the Geneva Conventions by producing enough highly enriched uranium for two nuclear warheads in 1998.

Despite the gravity of the situation, some officials in the Roh Moo-hyun Administration claimed that suspicions of North Korea's uranium enrichment program were false claims being made by the U.S. government. They labeled them "distortions and fabrications." They also claimed that North Korea would give up its nuclear ambitions if offered proper rewards, since the North had no desire to possess nuclear weapons. Such misreadings of North Korea are among the main reasons that the nuclear problem came to this pass. Who knows how they will try to justify them?

During the June 16 ROK-U.S. summit in Washington, President Lee Myung-bak will reportedly propose five-way talks that will exclude North Korea. However, unless China abandons its policy of putting North Korea's regime survival before its denuclearization, any kind of UN resolution or five-party agreement will be useless. The ROK faces a tough diplomatic task.

SEOUL 00000941 008 OF 013

It is becoming clearer that North Korea has no intention of giving up its nuclear program, while the chances are rising that it may resort to military action. Such frightening prospects dwarf any domestic matter for the ROK. The ruling and opposition parties must put aside their differences and come together to face this challenge.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

SOLIDIFYING U.S. ALLIANCE  
(JoongAng Ilbo, June 15, 2009, Page 42)

President Lee Myung-bak today boards a plane for a summit meeting with U.S. President Barack Obama. The meeting, scheduled for Tuesday at the White House, comes at a time of heightened tension on the Korean Peninsula.

The United Nations Security Council unanimously voted on the toughest sanctions yet against the recalcitrant state following its May 25 second nuclear test. North Korea further defied the international community by declaring its decision to embark on a program to enrich uranium and reprocess the existing plutonium stockpiles to produce atomic warheads.

By denouncing the UN resolution as a war-provoking action, the isolated state is playing a high-risk game of chicken with the international community, a movement that now has the support of the North's former allies: China and Russia. The two leaders have to reaffirm the principle of denuclearization of the Korean Peninsula while at the same time dispelling anxiety on the Korean peninsula and its neighboring countries.

In a symbolic gesture, the ROK and the U.S. have already agreed to include the U.S. offer of "extended deterrence"-a broader defense mechanism including a nuclear umbrella-in their joint statement after the summit meeting.

Without clarifying the nuclear umbrella issue, there's no knowing where talk in Korea and Japan on nuclear self-protection will lead.

The Korean Peninsula does not solely involve the ROK, but at the



same time no discussion about the region can progress without involving the ROK.

President Lee must obtain a U.S. pledge that the ROK won't be excluded in any further U.S.-North Korean talks. There has been speculation that the U.S., China and Japan will hold senior talks in Washington next month. President Lee, as he mentioned in an interview with the U.S. media, might propose talks that exclude North Korea.

We hope the two leaders will produce serious discussions in mapping out a broader vision for the Korean Peninsula. President Lee should draw full-fledged support from the U.S. president and put forth the big picture of a peaceful Korean peninsula firmly rooted in democracy and a market economy which presents no security threat to its neighbors.

The two allies should concoct a clever strategy to entice North Korea to give up its nuclear ambitions and veer toward reform and transparency.

The two could also discuss the problem of sending senior envoys to North Korea. President Obama should place the North Korean problem as his top priority in foreign affairs. Making him do so is entirely up to President Lee.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

SEOUL 00000941 009 OF 013

THE KIM JONG-IL REGIME TURNS ITS BACK ON THE WORLD AND OPTS FOR BRINKMANSHIP TACTICS  
(Dong-a Ilbo, June 15, 2009, Page 31)

In protest against UN Security Council Resolution 1874, which was unanimously adopted, the North Korean Foreign Ministry announced that North Korea will start the process of uranium enrichment, weaponize all newly extracted plutonium, and regard an attempted blockade of any kind by the U.S. and its allies as an act of war and take decisive military action.

When North Korea launched a rocket on April 5 in defiance of UN Resolution 1718, the UN Security Council reacted with a moderate presidential statement. The UN Security Council held back on (severely punishing) North Korea in order to give it another chance. In spite of this, North Korea went ahead with a nuclear test on May 25, which led to UN Resolution 1874. (As a result,) even China and Russia agreed to much stronger sanctions against North Korea.

The announcement by the North Korean Foreign Ministry is a grave provocation that goes beyond "another red line." Through this announcement, North Korea is admitting or claiming that suspicion over its uranium enrichment raised by the U.S. in October 2002 is true. North Korea's vow to start uranium enrichment is like declaring that it will manufacture uranium nuclear weapons as well as plutonium nuclear weapons. Therefore, this seems to constitute another reason why the international community should impose stronger sanctions against North Korea in order to curb the country's development and proliferation of its nuclear program.

The world has continued to provide humanitarian assistance to relieve the sufferings of 23 million North Korean residents despite the regime's destabilizing act. However, North Korea's blatant nuclearization may jeopardize even humanitarian assistance from the world. The World Food Programme (WFP) said that since April 2009, no countries have provided food assistance to North Korea. The WFP cut its food assistance by 85%. North Korea's rash move to fight against the world is self-destructive and will only lead to the starvation of its own people.

To block North Korea's reckless provocations, the international community should thoroughly deliver on the UN Security Council Resolution and punish North Korea for its transgressions. U.S. Secretary Hillary Clinton showed her strong will, saying that (the

U.S.) will "do all we can to prevent continued proliferation by the North Koreans." UN Security Council Resolution 1874, which calls for banning exports of arms-related materials except for small weapons, fully banning financial transactions involving weapons-related activities and inspecting all cargo containing banned items, cannot be fulfilled only with efforts by 15 Security Council members. All UN members should join in this effort to steer North Korea in a normal direction.

#### ROK-U.S. SUMMIT SHOULD CREATE A FRAMEWORK FOR PEACEFUL RESOLUTION OF NUCLEAR ISSUE

(Hankoyreh Shinmun, June 15, 2009, Page 23)

President Lee Myung-bak headed to Washington on Sunday for a summit with U.S. President Barack Obama. These talks carry great significance as the North Korean nuclear issue grows worse by the day and inter-Korean relations race towards a worst-case scenario. It also marks the first formal meeting between the two heads of state since President Obama took office.

The major item on the agenda is North Korea policy, including the response to the nuclear issue. At the time of Obama's inauguration earlier this year, the predominant perspective on solving the nuclear issue was an optimistic one. The expectation was that a great compromise would take shape that would resolve the problem once and for all. Instead, the U.S. has led the way in pressuring North Korea, and North Korea in turn, has declared a full-on confrontation against the U.S. The responsibility lies with both

SEOUL 00000941 010 OF 013

North Korea and the U.S. for allowing the situation to get to this state. North Korea has kept up with its provocations in a way that is difficult to view simply as either an attempt to probe the U.S. response or strengthen its bargaining power, while the U.S. has tended towards a solipsistic hard-line response without any strategic consideration. The situation differs little from the first term of George W. Bush's Administration.

The summit should serve as a turning point to change the current stalemate on the North Korean nuclear talks. To this end, it is essential to create a solid negotiation framework for the peaceful resolution of the nuclear issue. (The ROK and the U.S.) should give shape to the grand bargain with the North that the Obama administration publicly advocated in its initial days, so that Pyongyang can withdraw its offensive attitude. If, as some are predicting, the talks conclude only with a discussion of strengthening sanctions and pressure against North Korea, it would have been better to not have held the summit. If the two parties are to get North Korea to the table for discussions, more than vague references are needed to move the situation towards dialogue.

The ROK's intentions towards building a new framework matter as much as those of the U.S. President. Lee should work to turn around the current abnormal situation, while actively facilitating support for the U.S. to pursue discussions with North Korea. What President Lee needs most of all is a sense of ownership of the issue, and a will to lead the way in peacefully resolving issues related to the Korean Peninsula. The proper course does not lie in stipulating in writing the "extended deterrence" that would strengthen the U.S. nuclear umbrella, which could make North Korea's possession of nuclear capabilities a fait accompli and lead to a Northeast Asian nuclear arms race. This latter could easily result in the five-party talks plan President Lee mentioned in his interview with the Wall Street Journal, or an argument for the uselessness of the Six-Party Talks.

This summit must focus on the real issues that face the ROK. Placing importance on an abstract "declaration of a future vision for the ROK-U.S. alliance," while neglecting to provide solutions for pending issues such as North Korea's nuclear program is undesirable for the sake of the future of the alliance. A possible postponement of the transfer of wartime operational command and the redeployment of troops to Afghanistan represent an inappropriate ideological offensive, and are inappropriate as main agenda items for this summit.

Along with efforts to solve the North Korean nuclear issue, President Lee is faced with the task of fundamentally improving inter-Korean relations. In and of themselves, good relations are an important element of peace on the Korean Peninsula and in Northeast Asia, and they also play a positive role in resolving the nuclear issue. While inter-Korean relations is not necessarily an area where the ROK needs to gauge the reaction of another nation, President Lee, however, could attempt to generate cooperation from North Korea by making it clear during his talks with the U.S. that he intends to improve inter-Korean relations.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

MIXING CARROTS WITH STICKS  
(JoongAng Ilbo, June 13, 2009, Page 34)

The United Nations Security Council is expected to adopt a resolution to impose sanctions on North Korea today or tomorrow, three weeks since North Korea conducted a nuclear test. The resolution is stern. It includes a ban on imports and exports of weapons, inspections of North Korean cargo vessels and financial sanctions. The resolution can put heavy pressure on North Korea if it is implemented properly as the 192 UN member states are expected to abide by the resolution.

We believe it is appropriate for the UN Security Council to adopt the resolution because it reveals international society's determined

SEOUL 00000941 011 OF 013

will to deter North Korea from its nuclear ambitions. We expect all UN member states to participate in carrying out the resolution. Particularly, the participation of China, a country that has strong influence over North Korea politically and economically, is absolutely necessary. The South Korean government must try to persuade China.

The Security Council's resolution to impose sanctions on North Korea will not resolve the nuclear issue in one fell swoop. But North Korea must be asked to pay the price for having posed a direct threat to peace on the Korean Peninsula, Northeast Asia and the rest of the world. This is potentially one of the most fruitful ways of preventing further provocative acts from North Korea and a means of drawing the country back to the negotiation table. This is the lesson that the past 20 years has taught us, ever since North Korea's nuclear issue emerged as an international issue. We believe that international society's response to North Korea has failed so far to produce tangible results. We have not seen a good combination of carrots and sticks; we've only seen carrots and then sticks. The new resolution by the U.S. Security Council must not be pretense, again. What we need to see is action.

We believe that incentives are still necessary. But if we only come up with arbitrary measures targeting whatever situation North Korea finds itself in, such as a food crisis, just as we have done so far, North Korea will inevitably take advantage of the situation. Instead, we have to show North Korea what benefits it can enjoy if it joins the rest of the world. And we need to establish an international aid system to help North Korea land softly in addition to implementing discipline. We advise our government to try to bring together the other five members of the six-party talks, even if North Korea remains determined to stay away.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

NORTH KOREA'S URANIUM ENRICHMENT WILL NEVER BE ALLOWED (Hankook Ilbo, June 15, 2009, Page 35)

North Korea expectedly lodged a strong protest against the UN Security Council's resolution sanctioning North Korea over its second nuclear test. In a Foreign Ministry statement, North Korea announced it will start the process of uranium enrichment, weaponize all newly extracted plutonium, and regard an attempted blockade of

any kind by the U.S. and its allies as an act of war and take decisive military action. North Korea repeatedly declared itself to be a nuclear state, saying that it will never give up its nuclear program. We are worried that things are escalating into a tug-of-war on the Korean Peninsula while no party is making concessions.

The most serious of North Korea's responses is that North Korea will start enriching uranium. A second nuclear crisis occurred when North Korea was apparently seen as admitting its highly-enriched uranium plan in October 2002. However, this is the first time that North Korea officially vowed to start the process of enriching uranium. North Korea claims that its enriched uranium will be used as nuclear materials for light water reactors. However, it is only a matter of time before North Korea obtains weapons-grade highly-enriched uranium once it secures the enrichment technology. The process of uranium enrichment requires much smaller-scale facilities and can be easily concealed, thus posing difficulty to inspection and control. This will make the aim of denuclearizing the Korean Peninsula become even more remote.

Chances are high that North Korea is not in a position to build massive enrichment facilities considering its claim that its uranium enrichment technology is in a test phase. Some analysts believe that it will not be easy for North Korea to obtain effective enrichment technology due to (a lack in) technical capabilities. It will take North Korea time to fully operate uranium enrichment facilities and accordingly the international community will have some time to come up with countermeasures. Some observers believe

SEOUL 00000941 012 OF 013

that North Korea announced its uranium enrichment plan to the world instead of covertly pursuing it because of its intention to negotiate with the U.S.

North Korea's reckless provocations (i.e. its second nuclear test) against the international community should be met with sanctions and punishment. However, if history is any guide, sanctions, pressure and further isolation are not enough to resolve a problem. The international community, while imposing sanctions against North Korea, should provide a way-out through which the North can move closer toward the international community. The June 16 ROK-U.S. summit should be a place for both countries to discuss and seek appropriate ways to do this.

WE URGE NORTH KOREA TO EXERCISE RESTRAINT  
(Hankyoreh Shinmun, June 15, 2009, Page 23)

North Korea immediately issued a protest against UN Security Council Resolution 1874. The North Korean Foreign Ministry announced in a statement that North Korea will start the process of uranium enrichment, weaponize all newly extracted plutonium, and regard an attempted blockade of any kind by the U.S. and its allies as an act of war and take decisive military action. North Korea's reaction is seen as an extension of the positions it has clarified through various channels. However, this announcement is a flagrant defiance of the international community, thus potentially further isolating the North and escalating political and military tensions on the Korean Peninsula.

North Korea's intention seems to be to make the U.S. negotiate with the North by ramping up nuclear tensions. Such intention is evident since, as reflected in the statement, North Korea views the (current) situation as a U.S.-North Korea standoff. It is also noteworthy that North Korea did not mention in the statement what would be regarded as more direct provocations, such as an additional nuclear test or an intercontinental ballistic missile launch. It is questionable whether North Korea's equipment and technological level are advanced enough to produce highly enriched uranium immediately. However, the USG strongly condemned North Korea and urged the communist state to halt its provocations and return to the Six-Party Talks. This means that, for the U.S., bilateral dialogue with the North is not a priority.

If confrontations between the two Koreas, between the North and the

U.S., and between the North and the international community become prolonged, threats to peace and stability on the Korean peninsula will grow. This is why we should be in a hurry to find out the solution. More than anything else, North Korea needs to refrain from additional provocations. The fact that even China and Russia approved the UNSC resolution against North Korea suggests that North Korea's strategy of making provocations is not receiving international support. If the North really wants to talk with the U.S., it should look at the situation with a cool head.

ON THE ISSUE OF THE KAESONG INDUSTRIAL COMPLEX  
(Hankyoreh Shinmun, June 13, 2009, Page 23)

Representatives from North Korea and South Korea made official contact on the Kaesong Industrial Complex issue, but the two sides only expressed their positions to each other and concluded the meeting (without much progress). They have agreed to meet again on June 19, but with a wide gulf between them in their thinking, it appears negotiations will not be easy.

North Korea's demand that South Korean companies quadruple wages for Kaesong complex workers to 300 U.S. dollars a month from their current 75 U.S. dollars a month is excessive. Nor is it reasonable for the North to say it would raise the land rent for the complex some 31-fold, from the current 16 million U.S. dollars to 500 million U.S. dollars. This is an unreasonable request that is no different from telling companies to pack their bags and leave. If wages were to increase beyond those found in China or Southeast

SEOUL 00000941 013 OF 013

Asia, combined with insecure passage to Kaesong, customs and communication that are necessary for running a business, it would be hard to continue the project regardless of how much one considers the extraordinariness of inter-Korean relations. However, if North Korea has not adopted the attitude to close the Kaesong complex, it should attempt to find a rational compromise through negotiations.

South Korea has designated the issue of the Hyundai Asan employee held in North Korea for the last two and a half months as a matter that needs to be resolved first, but North Korea has not changed its stance that the Hyundai Asan worker issue is not part of the current agenda. The time has come for a new approach to this matter. One plan is to create a separate avenue for finding a solution for the detained worker issue and to concentrate on the Kaesong operation issue in the next round of contact. It is highly possible that if one tries to resolve these two issues of a different character at the same time, neither of them will be properly discussed.

North Korea has argued that it cannot extend the benefits of the June 15 Joint Declaration to those that reject the June 15 Joint Declaration at this time. One must not take North Korea's attitude as a mere attack. This is because, whether it is the Kaesong operation issue or the detained Hyundai Asan employee issue, these problems are within the frame of general inter-Korean relations. All say that in order to resolve these two issues amicably and to prevent similar situations from occurring, one must predicate things on stable inter-Korean relations. To do this, more than anything, it is important to demonstrate the intention of certainty to execute the June 15 and October 4 declarations at a level the North Koreans can trust.

The current situation with the Kaesong Industrial Complex can be likened to two doctors playing drop-the-handkerchief to avoid responsibility over the death of a patient admitted to the emergency room. It is time for special efforts to fundamentally change the situation.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

STANTON